

**Amendments to the Abstract**

Please amend the Abstract to read.

-- A video encoder {200, 300} and corresponding methods {600, 700} are provided for weighted prediction estimation using a displaced frame difference or differential, the encoder embodying a method {700} for receiving {712} a substantially uncompressed image block, assigning {714} a weighting factor for the image block corresponding to a particular reference picture having a corresponding index, computing {716} motion vectors corresponding to the difference between the image block and the particular reference picture, motion compensating {718} the particular reference picture in correspondence with the motion vectors, multiplying {720} the motion compensated reference picture by the assigned weighting factor to form a weighted motion compensated reference picture, subtracting {722} the weighted motion compensated reference picture from the substantially uncompressed image block, and encoding {724} a signal indicative of the difference between the substantially uncompressed image block and the weighted motion compensated reference picture along with the corresponding index of the particular reference picture.--